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ABSTRACT

In December 1967, the College Scholarship Service launched an experimental program for need analysis of students who might be independent of support from their parents. In response to the announcement, 434 colleges and universities indicated their interest in using the data collection document, the Student's Confidential Statement (SCS), as well as central computation services of CSS. In 1968-69, 995 institutions used the SCS. This paper presents a summary of expenses reported by persons who filed SCSs with CSS during the first 2 years of the program. These expense budgets are compared with 2 independently constructed budgets and, as a result of the comparison, national and regional moderate budget standards are suggested for use in assessing needs of self-supporting students. Procedures are also suggested for financial aid officers who wish to construct local budgets for self-supporting students. The closing pages of this report present selected percentiles by family status category for each SCS expense item. (JS)

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CSS

Expense Budgets of Self-Supporting Students 1967-68 and 1968-69

Dwight H. Horch

March 1971

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COLLEGE SCHOLARSHIP SERVICE

COLLEGE SCHOLARSHIP SERVICE

EXPENSE BUDGETS OF SELF-SUPPORTING STUDENTS: 1967-68 and 1968-69

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Educational Testing Service

March 1971

The College Scholarship Service is an activity of the College Entrance Examination Board. Operational services are administered by Educational Testing Service.

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I. INTRODUCTION

In December 1967 the College Scholarship Service launched an experimental program for need analysis of students who may be independent of support from their parents. In response to the announcement of this experimental program, 434 colleges and universities indicated their interest in using the data collection document, the Student's Confidential Statement (SCS), as well as the central computation services of CSS. In 1968-69, the number of institutions using the SCS was 995.

The Student's Confidential Statement, relatively unchanged from the experimental year, is a data collection document designed to collect biographical and financial data from aid applicants who wish to demonstrate that they are self-supporting. The candidate obtains the SCS from his college financial aid officer, who generally makes a preliminary determination regarding the applicant's independence from parents. The candidate is instructed to provide information on the SCS about his income from all sources, and about anticipated annual expenses for the next calendar year.

The CSS analysis of Student's Confidential Statements is a fairly straightforward comparison of the resources reported by the student with his estimated expenses, and with budgets supplied by colleges, universities, and scholarship agencies that use the central services of CSS. The student's resources and expenses are summarized on a Student Financial Need Report prepared by CSS, along with two calculations of financial need. The first calculation is based on a comparison of the student's resources with his own estimate of annual expenses, and the second is based on a similar comparison using the college's estimate of expenses.

During the 1967-68 processing year, 15,234 SCSs were received by CSS. The number more than doubled in 1968-69, to approximately 30,000. As a result of processing SCSs, the College Scholarship Service has gathered considerable data about the expense budgets reported by self-supporting students.

The purpose of this paper is to present a summary of the expenses reported by persons who filed SCSs with CSS during the first two years of

the program. These expense budgets are compared with two independently constructed expense budgets. As a result of these comparisons, national and regional moderate budget standards are suggested for use in assessing the needs of self-supporting students. In addition, procedures are suggested for financial aid officers who wish to construct local budgets for self-supporting students. The closing pages of this report present selected percentiles by family status category for each SCS expense item. These percentiles are presented so that the aid officer may compare the expenses reported by individual students at his institution with those reported by persons who filed SCSs with CSS in 1968-69. Through these comparisons, the financial aid officer should be in a better position to counsel self-supporting students and to make allowances for extraordinary expenses.

II. DEFINITIONS AND EXPLANATIONS

Child Care Expenses - Total of all child care expenses, such as babysitting, nursery school, and so on. Medical expenses are excluded from this item.

Debt Repayment - Total of all amounts being repaid on outstanding loans.

Independent Student - See definition for Self-Supporting Student.

Maintenance Expenses - The sum of expenses reported on the SCS for rent or mortgage, food and household supplies, clothing, laundry and cleaning, transportation, medical and dental care, child care, debt repayment, and other expenses. A maintenance expense budget describes amounts required for basic living expenses, and excludes expenses associated with education (for example, tuition and fees, books and supplies).

Medical and Dental Expenses - Total of all medical insurance premiums plus any medical or dental expenses not covered by insurance.

Other Expenses - Total of other expense items, such as special fees, necessary furnishings, recreation and personal expenses, and so on.

Percentile - The point in a distribution below which a specified percentage of the cases fall; for example, the 25th percentile is the point in a distribution below which 25 percent of the cases fall.

Rent or Mortgage - Total of all rent or mortgage payments and utilities, including telephone, water, gas, and electricity.

Self-Supporting Student - A student who was not claimed as a tax dependent by his parent(s) during the preceding calendar year, who has not received financial assistance from parent(s) during the preceding or current calendar year, and who maintains a permanent residence separate from parent(s).

Total Resources - Total of aid from parents, after tax income of applicant and spouse, Social Security and veteran's benefits, scholarships and loans from sources other than the college or agency to which the student is applying, income tax refunds, and other income.

Transportation Expenses - Total of all transportation expenses, including expenses for auto or public transportation, and for vacation travel to home.

III. POPULATION AND SAMPLE

In 1967-68, the CSS received and processed 15,234 Student's Confidential Statements. The data presented in this paper for 1967-68 SCS filers include that entire population.

The 1968-69 expense data are based on a sample of SCSs. A systematic sample, consisting of every third SCS, was drawn from the alphabetical file. Married couples with more than three children were excluded from the sample. This procedure resulted in a sample of 9,913 SCSs. It should be recalled that all statistics based on samples, rather than populations, have standard errors associated with them, and that statistics based on larger samples are more reliable than those based on smaller ones. Appendix A presents standard errors of means for each expense item by family status. The standard error of the mean for total annual maintenance expense budgets ranged from $28 for single males to $133 for married couples with three children. Stated differently, for single males the probability is .68 that the population mean for their maintenance expenses is $2,225 $\pm$$28.

Of the 1967-68 SCS filers, 60.4 percent were males and 39.6 percent were females. During 1968-69, these percentages were 58.5 and 41.5, respectively. Percentages of SCS filers for these two years are grouped by family status in Table 1 below.

Table 1

Number and Percentage of SCS Filers by Family Status
1967-68 and 1968-69

Family Status	1967-68		1968-69	
	N	Percent	N	Percent
Single Male	3,578	23.4	2,229	23.1
Single Female	3,031	19.8	2,237	23.2
Married-no children	4,417	28.9	2.670	27.7
Married-1 child	2,328	15.2	1,356	14.0
Married-2 children	1,247	8.1	787	8.1
Married-3 children	633	4.1	354	3.6
Total	15,234	100.0*	9,913	100.0*

*Because of rounding, detail may not total exactly 100 percent, but is always shown as such.

The percentage distribution of SCS filers by academic class indicates that graduate and professional students constituted a substantial percentage of the filers for both years.

Since the Student's Confidential Statement program was designed primarily for self-supporting undergraduate students, it is noteworthy that slightly more than 20 percent of the filers during 1967-69 were graduate and professional students.

Table 2

Percentage of SCS Filers by Academic Class
1967-68 and 1968-69

Academic Class	1967-68	1968-69
Undergraduate	78.7	78.5
Graduate	17.2	14.8
Professional	4.0	6.7
TOTAL	100.0	100.0

Although an age distribution is not available for 1968-69 SCS filers, the distribution for the 1967-68 SCS population indicates that 14 percent of the students were age 17-20, 43 percent age 21-24, and 43 percent age 25 and over. In 1969, 18.2 percent of all persons enrolled in college[1] either full or part-time were 25 years or older[2], compared with 43 percent of the 1967-68 SCS population. This comparison suggests that self-supporting students tend to be older than other persons enrolled in college.

[1] "College" is defined as undergraduate, graduate, or professional school.

[2] U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 206, "School Enrollment: October 1969," U.S. Government Printing Office, Washington, D. C. 1970.

IV. EXPENSES OF STUDENTS in the 1967-69 SCS POPULATIONS

As indicated previously, the Student's Confidential Statement collects detailed data about the student's annual expenses. Information is collected about expenses directly related to education -- such as books, supplies, tuition and fees -- and about living or maintenance expenses. The latter category includes expenses for food, housing, clothing, medical care, and so on.

As a result of processing SCSs, the College Scholarship Service has gathered extensive information about the expenses of students who claim to be self-supporting. This information represents the collective judgment of thousands of students and enables a detailed analysis of independent student budgets which has heretofore not been possible.

Because living expenses vary according to marital status and family size, these variables were accounted for in the data analysis. The analysis consisted of tabulation of a frequency and percentage distribution for each expense item by family status.[3] In addition, means and standard deviations were calculated for each expense item by family status. Since none of the expense item distributions was significantly skewed, means were considered to be appropriate measures of central tendency for this data.

The expense item means for the 1967-69 SCS data are presented in Table 3. This table is interpreted as follows: in 1967-68 the average rent or mortgage expense for single male SCS filers was $675, and in 1968-69 this figure was $710.

There were generally modest increases from 1967-68 to 1968-69 in the average amount for each expense item. Exceptions to this trend that should be noted are the average rent or mortgage expense for single women and married couples with three children. The average expense for housing declined slightly in 1968-69 for these two groups. Furthermore, the average annual debt repayment of married students increased sharply in 1968-69.

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[3] Detailed percentage distributions for each expense item of 1968-69 SCS filers are presented in Appendix B.

Table 3

ANNUAL EXPENSE ITEM MEANS BY FAMILY STATUS

1967-68 and 1968-69 SCS Filers

Expense Item	Single Male	Single Female	Married- No Children	Married- 1 Child	Married- 2 Children	Married - 3 Children
Rent or Mortgage						
1967-68	$675	$825	$1320	$1330	$1610	$1840
1968-69	710	750	1340	1365	1650	1750
Food and Household						
1967-68	550	560	1020	1140	1470	1830
1968-69	575	620	1100	1205	1515	1880
Clothing, Laundry, and Cleaning						
1967-68	170	220	270	315	380	460
1968-69	185	240	325	330	405	510
Transportation						
1967-68	245	210	435	390	500	560
1968-69	260	245	485	450	555	565
Medical and Dental						
1967-68	95	140	230	290	350	400
1968-69	95	130	240	305	350	395
Child Care						
1967-68	--	--	--	340	290	230
1968-69	--	--	--	360	310	250
Debt Repayment						
1967-68	140	115	370	360	475	595
1968-69	180	170	490	480	720	740
Other Expenses						
1967-68	250	180	385	350	450	520
1968-69	220	150	385	330	500	605
Total Expenses for Maintenance						
1967-68	2125	2250	4030	4515	5525	6435
1968-69	2225	2305	4365	4825	6005	6695

Examination of Table 3 also reveals that there is a positive relationship between family size and annual expenditures for maintenance. The means for each expense item and for total expenses tend to increase as family size increases. When considered separately, there is little difference between the average expenses of single men and single women. Single women spend slightly more than single men for all budget items, except transportation, debt repayment, and "other" expenses. The overall difference between the total maintenance expense averages for single men and women is not practically significant, however. The difference was $125 in 1967-68 and $80 in 1968-69. Since the annual maintenance expense budgets of single self-supporting men and women are so similar, there is little reason to use separate standard budgets for estimating their financial need.

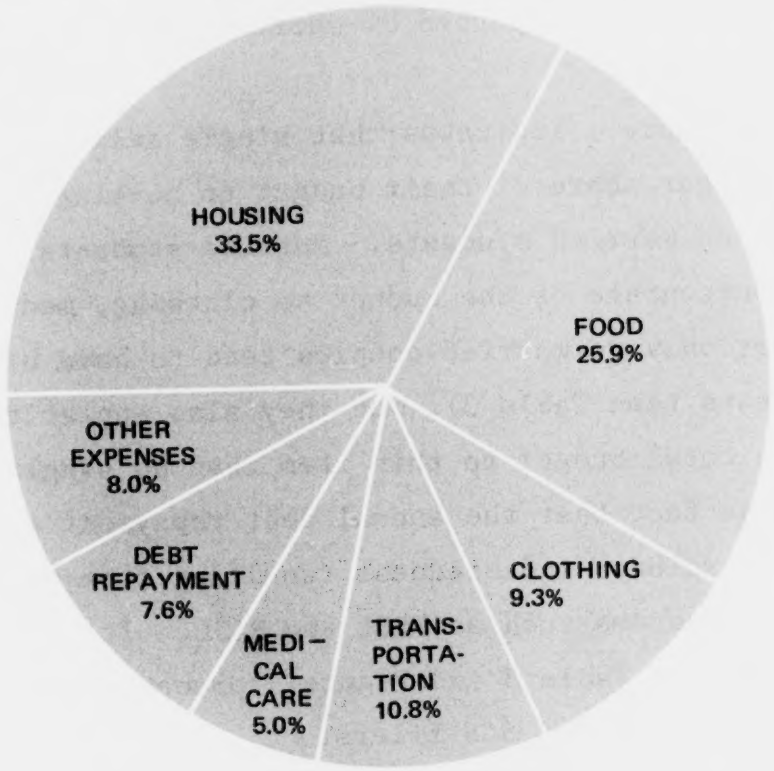
Most financial aid officers have counseled applicants who are contemplating marriage. These applicants are sometimes optimistic in the belief that "two can live as cheaply as one." The averages in Table 3 do not support this belief. In 1968-69 the mean annual maintenance budget for married couples without children was $4,365 -- nearly double that for single students.

While there appears to be a positive relationship between expenses and family size, an exception to this trend should be noted. There appears to be an inverse relationship between annual child care expenses and family size. Annual child care expenses tend, on the average, to decrease as family size increases. A hypothesis to explain this apparent relationship is that as the number of children in the family increases, the likelihood increases that the mother is a full-time housewife.

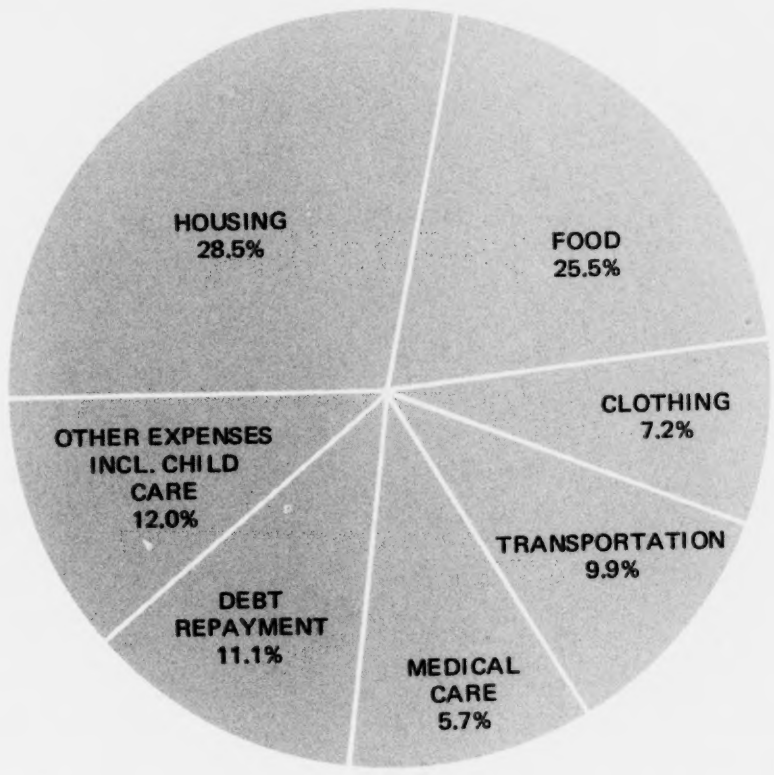
Up to this point, the components of the expense budgets for self-supporting students have been described in terms of mean or average yearly amounts. Another method of analyzing these averages is to convert them to percentages of the average annual maintenance expense budget. Through this type of analysis, insight is gained into how self-supporting students spend the dollar for the various components of the expense budget. Figure 1 shows the shares of the average budget devoted by single and married students

FIGURE 1
COMPONENTS OF THE TYPICAL BUDGET OF SELF-SUPPORTING STUDENTS 1968-69 SCS DATA

SINGLE STUDENTS: AVERAGE BUDGET FOR 12 MONTHS – $2265



MARRIED STUDENTS: AVERAGE BUDGET FOR 12 MONTHS – $5050



to the various items. It should be noted that average budgets are for maintenance expenses and exclude amounts spent for direct educational expenses. In addition, the 12-month budget of $5,050 for married students is a weighted average budget for all married couples in the 1968-69 SCS sample. It includes budgets reported by married students with children, as well as childless couples.

Review of Figure 1 indicates that single self-supporting students devote a slightly larger share of their budget to housing, food, and transportation than do married students. Married students appear to devote a slightly higher percentage of the budget to clothing, medical care, and debt repayment. Not only do married couples tend to have higher average annual debt repayments (see Table 3), but they also appear to devote a larger share of the total budget to this item than do single students. Worthy of note is the fact that the annual debt repayment reported by students on the SCS excludes indebtedness resulting from participation in federal student aid programs such as NDSL and FISL. It is a safe assumption that the figures shown in Table 3 and Figure 1 probably understate the amount of total indebtedness of SCS filers.

V. APPROACHES TO CONSTRUCTING EXPENSE BUDGETS FOR SELF-SUPPORTING STUDENTS

One of the most perplexing problems in assessing the needs of self-supporting students involves the construction of reasonable and equitable expense budgets. Indeed, before the needs of independent students can be accurately assessed, it is necessary to construct comprehensive expense budgets which adequately provide for students' maintenance expenses as well as for their direct educational expenses. Although direct educational expenses (tuition and fees, books and supplies) are relatively easy to determine, it is more difficult to establish reasonable maintenance expense budgets for the various family status categories of self-supporting students.

The CSS has long considered the concept of a moderate level of living as a reasonable and appropriate basis for assessing financial need. It has been noted by Bowman[4] that this concept has been central to the CSS rationale for need analysis of Parents' Confidential Statements since 1962-63.

From 1962-63 until the fall of 1966, the moderate budget standards employed by CSS were adapted from the 1959 BLS Interim City Worker's Budget.[5] Beginning in the fall of 1966, the moderate level budgets were revised since it was considered desirable to use a technique for selecting moderate levels consistent with that used in defining povery income points.[6, 7] Miss Orshansky[8] developed this technique, which CSS employed until the fall of 1969, for purposes of establishing moderate level budgets for the Parents' Confidential Statement filing popu ation.

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[4] Bowman, James L., and Weiss, Gertrude C. Expected Contribution Toward Educational Costs: Suggested Revisions for 1969-70, September 1969, College Scholarship Service, Educational Testing Service, Princeton, New Jersey, p. 8.

[5] Ibid., p. 4.

[6] Ibid., p. 5.

[7] Bowman, James L., "CSS Procedures for Use with Low-Income Families," Financial Aid News, December 1965.

[8] Orshansky, Mollie, "Counting the Poor: Another Look at the Poverty Profile," Social Security Bulletin, January 1965, pp. 3-29.

The Orshansky technique assumes that the moderate-cost food budget is 25 percent of the moderate level budget. As the reader may have noted in Figure 1, the share of the average SCS maintenance budget devoted to food and household expenses was 25.9 percent for single persons, and 25.5 percent for married students. This finding suggests that the Orshansky technique is a viable one to use as a basis for constructing moderate budget standards for self-supporting students.

Several methods could be used to establish national budget standards for self-supporting students. First, the average total budget (excluding direct educational expenses) reported by the SCS filing population could be used as the basis for constructing comprehensive budgets for the various family status categories of self-supporting students. Because the ratios of food expenses to maintenance expenses are not the same for all family status categories, however, the various SCS maintenance expense averages are not truly equivalent. The concept of equivalency of budgets assumes that families of varying sizes attain an equivalent standard of living when an equal proportion of income is spent on food.

Another approach to constructing national budget standards for self-supporting students is to apply the Orshansky technique to SCS family status averages for food and household expenses. For example, the mean food and household expense was $600 for single students in the 1968-69 SCS population. This is 25 percent of $2,400 which would be the SCS standard budget for single self-supporting students in 1968-69. A comparison of mean maintenance expenses of SCS filers with SCS standard budgets is presented in Table 4.

Table 4

Comparison of SCS Mean Maintenance Expenses
With SCS Standard Budgets
1968-69

Family Status	SCS Mean Maintenance Expenses*	SCS Standard Budget
Single	$2,265	$2,400
Married-no children	4,365	4,400
Married-1 child	4,825	4,820
Married-2 children	6,005	6,060
Married-3 children	6,695	7,520

*Figures have been rounded to the nearest five dollars.

The high degree of similarity between the SCS mean maintenance expenses and SCS standard budgets serves to point out that the food expenditures of nearly all categories of SCS filers represent approximately 25 percent of the total maintenance budget. The exception to this rule is the married student with three children. For this student, the typical food expense is approximately 30 percent of the average maintenance budget. When the average food expense for students in this category is taken as one quarter for the SCS standard budget, the resulting figure is substantially larger than the average maintenance expenses ($7,520 compared to $6,695).

While the approach outlined above for constructing budget standards for self-supporting students has some appeal, it has two major drawbacks. First, the SCS standard budget for married students with three children deviates too greatly from reality. Second, the approach assumes that the average food and household expenses reported by SCS filers represent costs for a modest-but-adequate diet. This assumption may or may not be true.

A third method for establishing budget standards for self-supporting students is to develop moderate budgets from data other than that reported on the SCS.[9] The United States Department of Agriculture (USDA) publishes data quarterly about the cost of food for food plans at three cost levels -- low cost plan, moderate cost plan, and liberal plan.[10] By applying the Orshansky technique to the USDA moderate-cost food plan for each family status category, it is possible to construct moderate budgets for persons similar in age (20-35) to those in the SCS filing population. A comparison of 1968-69 SCS mean maintenance expenses and June 1968 USDA moderate level budgets is shown in the following table.

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[9] I am indebted to Mr. James L. Bowman, Director of the College Scholarship Service at Educational Testing Service, for his advice about this method of budget construction.

[10] U. S. Department of Agriculture, Family Economics Review, U. S. Government Printing Office, Washington, D. C.

Table 5

Comparison of Mean Maintenance Expenses
of 1968-69 SCS Filers with
June 1968 USDA Moderate Level Budgets
for Persons Age 20-35 Years

Family Status	SCS Mean Maintenance Expenses	1968 USDA Moderate Level Budgets
Single	$2,265	$2,395
Married-no children	4,365	4,390
Married-1 child	4,825	5,090
Married-2 children	6,005	5,930
Married-3 children	6,695	6,875

The high degree of similarity between the USDA moderate level budgets and the SCS mean maintenance expenses indicates that the budgets of 1968-69 SCS filers are, on the average, quite reasonable.

While the average maintenance expense budgets of 1968-69 SCS filers appear to be reasonable, a question still remains as to which budget standards -- SCS mean maintenance expenses, SCS standard budgets, or USDA moderate budgets -- are most appropriate for use in independent student needs assessment. The limitations in using mean maintenance budgets and standard budgets developed from SCS food and household expense data have already been noted. Moderate level budgets based on the USDA moderate-cost food plan appear to be the most reasonable and equitable standards, since they result in equivalent budget standards for all family status categories, and relate closely to the mean maintenance expenses of SCS filers. Another strong argument for USDA budgets is that they undoubtedly reflect price level changes more readily and accurately than student reported expenses. Finally, since USDA publishes moderate-cost food plan data by region, it is possible to construct regional moderate budget standards for self-supporting students, as well as a national budget standard.

For financial aid officers who wish to utilize national budget standards for assessing the needs of self-supporting students, it is suggested that the following moderate level budgets be used as the base for constructing comprehensive independent student budgets:

Table 6

Suggested 12-month National Moderate Budget Standards
for Self-Supporting Students
based on September 1970
USDA Moderate-Cost Food Plan for Persons Age 20-35 Years

Family Status	National Moderate Budget* Standard
Single	$2,660
Married-no children	4,875
Married-1 child	5,635
Married-2 children	6,550
Married-3 children	7,610

*To these budgets, the financial aid officer should add amounts for tuition and fees, as well as for books and supplies.

The moderate budgets shown in Table 6 should not be confused with the moderate or intermediate budget standards incorporated into the CSS rationale for analysis of Parents' Confidential Statements. The budget standards that serve as the basis for the current rationale for assessing parental ability to pay for education were developed by the Bureau of Labor Statistics. The USDA moderate budgets shown in Table 6 are not comparable with the BLS moderate budgets in two respects. Most important, BLS standards are based on a pricing of all items in the budget, and the budgets derived from USDA data are based on food costs as a percentage of the total budget. In addition, moderate budget standards for families with head age 20-35 years are lower than the standards for families represented in the Parents' Confidential Statement population. This is due to the fact that there is a positive relationship between the age of the child and the amount of income required to attain the expenditure level of the moderate budget standard.

Families with younger children (such as SCS filers) require a lower expenditure level to attain the moderate standard than families who have older children (such as PCS filers).

While some financial aid officers may agree that the suggested national moderate budget standards are adequate for their locale, others may feel that the standards are too high or too low. As mentioned earlier, the USDA publishes moderate-cost plans by region for persons age 20-35. By applying the Orshansky technique to this regional data, it is possible to construct more localized moderate budget standards for self-supporting students. Table 7 presents suggested moderate budget standards for self-supporting students by region.

As can be seen from Table 7, moderate budgets are highest in the Northeast, approximately the same for the West and North Central and somewhat lower for the South.

Table 7

Suggested 12-month Moderate Budget Standards* by Region
for Self-Supporting Students based on March 1970
USDA Moderate-Cost Food Plans for Persons Age 20-35 Years

Family Status	North-east	North Central	South	West
Single	$2,845	$2,610	$2,435	$2,535
Married-no children	5,215	4,780	4,460	4,645
Married-1 child	6,070	5,525	5,175	5,370
Married-2 children	7,090	6,430	6,030	6,260
Married-3 children	8,240	7,450	6,920	7,270

*To these budgets, the financial aid officer should add amounts for tuition and fees, as well as for books and supplies.

The above approaches to constructing budgets for self-supporting students rely on national and regional data. Some financial aid officers may prefer to construct budgets for their locales.

Ideally, local budget standards for self-supporting students would be established by conducting a survey of their expenses. If time and funds were available, the data gathered from this survey could be analyzed in a manner similar to that used in this report. Many financial aid officers, however, have neither the time nor the money for such an undertaking.

Fortunately, the concepts underlying the construction of national and regional moderate level budgets may be applied by the financial aid officer to local data. For example, while the average food and household expenditures of self-supporting students may vary from place to place, it is true that the moderate budget standard is attained when these expenditures represent 25 percent of the total budget. If the typical food and household expenses for married couples with one child are $1,400 in a given locale, then their moderate budget would be $5,600. Application of this concept by the aid officer will reduce the amount of data that must be gathered to construct the local budgets. Only data about food expenditures for each family status category is required for this approach.

Another more simplified approach that appears to hold some promise for estimating moderate level budgets of self-supporting students is presented below. This approach assumes that the percentage differences between the 1968 USDA moderate level budgets of married couples and single persons are fixed. That is to say, while the relative dollar differences between moderate budgets of married students and single students may vary substantially from year to year or place to place, the percentage differences will not.[11] As an example of this concept, consider the budgets in Table 5. The moderate budget for single persons ($2,395) is 55 percent of the moderate budget for married couples with no children ($4,390). The moderate budget for married couples with one child is 16 percent greater than that for married couples with no children, and so on. Using the moderate level budgets shown in Table 5 with the budget for married students with no children as the base, the following ratios result:

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[11] This is similar to the procedure used by CSS to adjust the BLS lower, intermediate, and higher budget standards for family size differences.

Table 8

Ratios for Estimating
Equivalent Moderate Level
Budgets for Self-Supporting Students

Family Status	Ratio
Single	0.55
Married-no children	1.00
Married-1 child	1.16
Married-2 children	1.35
Married-3 children	1.57

If these ratios accurately describe the family status-budget relationship for self-supporting students, then their application to the 1967-68 SCS standard budget for childless married couples ($4,080) should yield budgets similar to the mean maintenance expenses for that year. The results in Table 9 show that this is the case.

Table 9

Comparison of Ratio Budgets
with 1967-68 SCS Mean Maintenance Expenses

Family Status	Ratio Budget	SCS Mean Maintenance Expenses
Single	$2,240	$2,220
Married-no children	4,080	4,030
Married-1 child	4,730	4,515
Married-2 children	5,510	5,525
Married-3 children	6,405	6,435

The advantage of the ratio method of constructing local budgets for self-supporting students is that only one piece of information is required -- the typical local annual food expenses of married students with no children.

For the sake of example, let us assume that the typical annual food expense for married students with no children at a particular institution is $1,000. This is 25 percent of $4,000, the 12-month moderate level budget for such students at this college. Multiplication of the $4,000 base budget by the ratios in Table 8 yields an estimate of the equivalent moderate level budgets for the various family status categories as follows:

Family Status	Base		Ratio	Estimated Moderate Budget for 12-months
Single	$4,000	x	0.55	$2,200
Married-no children	4,000	x	1.00	4,000
Married-1 child	4,000	x	1.16	4,640
Married-2 children	4,000	x	1.35	5,400
Married-3 children	4,000	x	1.57	6,280

If the financial aid officer uses this method for estimating local moderate budget standards for self-supporting students, he should make allowances for tuition, fees, books and supplies. This may be accomplished by adding these fixed expenses to the moderate budget for each family status category.

VI. COMPARISON OF TOTAL RESOURCES AND MODERATE BUDGET STANDARDS

Because of their higher expense budgets and the lack of parental support, the amount of student aid funds required to finance self-supporting students is thought to be proportionately greater than that required for students dependent on their parents. The financial aid officer may agree that the recommended moderate level budgets appear to be reasonable but may have some reservations about the effect which use of such budgets would have on his financial aid program. If self-supporting students have few or no resources, then rather substantial amounts of aid would be required to assist this segment of the institution's financial aid population. For these reasons, it seems appropriate to compare the total resources of 1968-69 SCS filers with the recommended moderate budget standards.

In order to make this comparison, the percentage of 1968-69 SCS filers with total annual resources greater than their respective 1968 USDA moderate budgets was calculated for each family status category. For example, the percentage of single students with resources (income) equal to or greater than $2,395 was determined. These percentages are presented by family status in Table 10 below.

Table 10

Percentages of Students by Family Status with Total Resources Equal to or Greater than the Respective Moderate Budget Standard 1968-69

Family Status	Percent
Single	32.8
Married-no children	49.7
Married-1 child	34.1
Married-2 children	49.1
Married-3 children	46.0

Approximately one third of the single students and married couples with one child in the 1968-69 SCS sample had resources equal to or greater than their respective moderate budgets. The figure was approximately one half for all other family status categories. Stated somewhat differently, if the moderate budget standards were used to estimate the needs of 1968-69 SCS filers, then about one third of the single students and couples with one child, and one half of all other independent students would require no financial assistance to meet their living expenses.

Although the percentages shown in Table 10 provide some insight into the resource-budget relationship, the financial aid officer is probably more interested in an estimate of the average need of self-supporting students when the recommended moderate budgets are applied. Such estimates are shown in the following table. For purposes of these estimates, need is defined as the difference between the respective comprehensive budgets and average total resources of 1968-69 SCS filers. The 1968-69 SCS averages for tuition and fees and for books and supplies were added to the 1968 USDA moderate budgets of each family status category to obtain the respective comprehensive budgets.

Table 11

Estimated Average Annual Financial Need
of 1968-69 SCS Filers

Family Status	At Public Institutions	At Private Institutions
Single	$1,035	$1,970
Married-no children	400	1,335
Married-1 child	1,490	2,425
Married-2 children	710	1,645
Married-3 children	745	1,680

It should be pointed out that the above estimates are based on 12-month budgets and on annual resources. While the estimated average need of self-supporting students appears to be considerable, it is not as high as one would intuitively expect from inspection of the moderate budget standards. Self-supporting students do tend to have fairly substantial resources. In fact, resources of self-supporting students tend to increase as family size increases.[12] Consequently, although the moderate budget for married students with three children is more than three times that of single persons, their estimated average financial need is less.

[12]A detailed distribution of total resources may be found in Appendix C.

VII. NEED DETERMINATION AND COUNSELING OF SELF-SUPPORTING STUDENTS

Accurate needs assessment of self-supporting students depends upon the construction of reasonable expense budgets by the financial aid officer. Such budgets should provide for both the applicant's maintenance and his educational expenses. In addition, separate expense budgets should be constructed for each family status category, since consumption expenses vary by family size.

If the recommended national or regional moderate budget standards appear to the aid officer to be reasonable for his campus, they may be used as the base for constructing local expense budgets for self-supporting students. Addition to these budgets of local expenses for tuition and fees and for books and supplies will result in an annual total expense budget for each family status category. Once the budgets have been constructed, a student's need may be defined as the difference between the expense budget for the family status category to which he belongs and his total resources.

A principle of need analysis to which the CSS adheres is that allowance should be made for extraordinary expenses of a non-discretionary nature. In its analysis of Parents' Confidential Statements, for example, the CSS makes an allowance for extraordinary medical expenses. Through its allowance structure, the CSS recognizes that expenses beyond the family's control are sometimes incurred.

Realistic needs assessment demands that standard expense budgets be adjusted for self-supporting students with extraordinary expenses. If, for example, an individual self-supporting student has excessive transportation costs, the aid officer may wish to determine the reason, and if justified, to make an additional allowance for this item in the budget. On the other hand, the aid officer may wish to suggest more economical means of transportation to the student rather than increase the standard budget.

The identification of extraordinary expenses requires systematic evaluation of each Student's Confidential Statement by the financial aid officer. In order to facilitate this evaluation, Table 12 has been prepared. This table presents values at the 25th and 75th percentiles by family status category for

each expense item. The table shows that the bottom quarter (P 25) of single males in the 1968-69 SCS sample reported rent or mortgage expenses below $320 and that the top quarter (P 75) reported these expenses as $1,020 or higher. In other words, the middle 50 percent of single males in this sample reported rent or mortgage expenses between $320 and $1,020.

This table should be especially useful to aid officers in counseling self-supporting students about their expenses and in adjusting standard budgets for extraordinary expenses. The financial aid officer may compare a student's estimated expenses with the amounts at the selected percentiles shown in Table 11. Student estimates of expenses that fall below the 25th percentile or above the 75th percentile may require special review and justification. Through this systematic comparison, the special needs of individual self-supporting students may be identified.

Table 12

Guide for Evaluating the Student's Confidential Statement
Selected Percentiles for 1968-69 SCS Expense Data
Reported by Family Status

Annual Expense Item	Single Male		Single Female		Married- no children		Married- 1 child		Married- 2 children		Married- 3 children	
	P25	P75	P25	P75	P25	P75	P25	P75	P25	P75	P25	P75
Rent or Mortgage	320	1020	280	1260	1000	1750	800	1780	1250	2150	1280	2240
Food and Household	220	880	350	920	730	1420	710	1530	1160	1940	1450	2530
Clothing, Laundry, Cleaning	100	250	110	320	180	430	140	360	220	590	290	690
Transportation	90	360	80	330	240	660	190	610	310	720	310	740
Medical and Dental	0	130	20	190	100	330	110	410	200	430	210	480
Child Care	---	---	---	---	---	---	0	850	0	520	0	430
Debt Repayment	0	210	0	120	0	890	0	770	0	1130	0	1080
Other Expenses	0	350	0	280	0	730	0	490	0	820	0	810
Maintenance Expenses	1350	2800	1270	3610	3130	5540	3180	5850	4650	7320	5200	7870

APPENDIX A

STANDARD ERRORS OF EXPENSE ITEM MEANS REPORTED BY FAMILY STATUS 1968-69 SCS SAMPLE

Table A

Standard Errors of Expense Item Means

Reported by Family Status

1968-69 SCS Sample

Annual Expense Item	Single Male	Single Female	Married-no children	Married-1 child	Married-2 children	Married-3 children
Rent or Mortgage	10.47	14.02	11.58	16.57	26.51	43.75
Medical and Dental	3.94	3.70	4.70	7.22	10.10	17.19
Clothing	3.26	4.82	4.65	6.36	10.45	18.31
Transportation	5.49	5.73	7.61	9.73	15.23	21.34
Child Care						
Debt Repayment	8.05	8.63	13.71	19.64	31.18	47.53
Other Expenses	9.17	5.86	10.71	13.70	23.37	19.05
Food and Household	8.58	12.22	11.23	14.34	22.62	41.25
Total Expenses for Maintenance	28.66	37.85	38.15	51.35	83.59	133.05

APPENDIX B

PERCENTAGE DISTRIBUTIONS BY FAMILY STATUS
FOR ANNUAL EXPENSE ITEMS
1968-69 SCS SAMPLE

Table B1

Percentage Distributions by Family Status

for Annual RENT OR MORTGAGE EXPENSES

1968-69 SCS Filers

Rent or Mortgage Expenses	Single Male	Single Female	Married-No children	Married-1 child	Married-2 children	Married-3 children
$3,000 - over	0.1	0.7	1.2	1.0	4.1	6.5
$2,000 - 2,999	0.7	4.6	9.9	12.3	24.8	24.6
$1,500 - 1,999	4.7	9.4	28.7	27.9	33.8	34.5
$1,000 - 1,499	20.4	22.1	35.7	36.1	23.8	22.9
$500 - 999	42.4	31.5	17.3	15.4	6.7	6.2
$1 - 499	18.8	15.7	4.3	4.0	3.3	2.3
$ 0	12.8	15.8	3.0	3.3	3.6	3.1
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B2

Percentage Distributions by Family Status

for Annual FOOD AND HOUSEHOLD EXPENSES

1968-69 SCS Filers

Food and Household Expenses	Single Male	Single Female	Married- no children	Married- 1 child	Married- 2 children	Married- 3 children
$3,000 - over	0.1	0.4	1.0	0.8	2.3	10.2
$2,000 - 2,999	0.5	3.3	5.4	7.2	19.1	31.6
$1,500 - 1,999	2.5	5.1	13.7	18.4	31.9	31.9
$1,000 - 1,499	11.6	11.0	37.2	42.0	31.4	17.8
$500 - 999	45.3	34.2	34.3	25.7	10.4	4.0
$1 - 499	26.9	29.6	6.1	3.7	2.2	2.0
$ 0	13.1	16.3	2.4	2.2	2.8	2.5
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B3

Percentage Distributions by Family Status

for Annual CLOTHING EXPENSES

1968-69 SCS Filers

Clothing Expenses	Single Male	Single Female	Married - no children	Married- 1 child	Married- 2 children	Married- 3 children
$500 - over	4.3	10.7	21.9	20.7	32.9	48.6
$400 - 499	4.8	7.1	10.8	11.6	12.0	11.8
$300 - 399	10.9	13.7	18.1	19.8	17.6	15.5
$200 - 299	22.8	23.4	22.6	23.2	17.9	11.8
$100 - 199	34.0	24.7	17.7	17.3	12.2	6.2
$1 - 99	16.9	14.3	6.7	5.2	4.2	1.7
$ 0	6.1	6.3	3.1	2.2	3.3	4.2
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B4

Percentage Distributions by Family Status

for Annual TRANSPORTATION EXPENSES

1968-69 SCS Filers

Transportation Expenses	Single Male	Single Female	Married- no children	Married- 1 child	Married- 2 children	Married- 3 children
$750 - over	4.7	4.1	17.7	14.2	22.9	24.1
$500 - 749	10.0	8.4	22.7	20.5	23.4	26.0
$400 - 499	7.6	6.5	11.8	13.3	15.2	10.0
$300 - 399	12.4	12.9	16.3	17.9	16.4	19.2
$200 - 299	19.3	18.4	15.1	17.5	11.0	13.3
$100 - 199	21.9	21.5	9.9	11.5	6.7	4.3
$1 - 99	13.0	16.7	3.0	2.2	1.3	0.6
$ 0	10.9	11.5	3.6	2.9	3.2	2.8
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B5

Percentage Distributions by Family Status

for Annual MEDICAL AND DENTAL EXPENSES

1968-69 SCS Filers

Medical and Dental Expenses	Single Male	Single Female	Married- no children	Married- 1 child	Married- 2 children	Married- 3 children
$500 - over	1.8	3.7	10.3	16.4	19.2	24.3
$400 - 499	1.3	2.7	6.9	11.4	14.8	17.3
$300 - 399	3.2	6.0	15.1	17.7	21.6	20.0
$200 - 299	8.6	12.2	20.1	20.4	19.7	19.4
$100 - 199	25.0	23.4	24.7	21.6	14.5	11.6
$1 - 99	36.7	33.9	16.7	9.6	4.2	2.6
$ 0	23.5	18.0	6.2	4.9	6.1	4.8
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B6

Percentage Distributions by Family Status

for Annual CHILD CARE EXPENSES

1968-69 SCS Filers

Child Care Expenses	Married- 1 Child	Married- 2 Children	Married- 3 children
$1,500 - over	1.6	2.3	1.7
$1,000 - 1,499	6.3	8.4	6.2
$ 500 - 999	28.0	15.2	13.0
$1 - 499	37.8	32.9	31.4
$ 0	26.3	41.2	47.7
Total Percent	100.0	100.0	100.0

Table B7

Percentage Distributions by Family Status

for Annual DEBT REPAYMENT

1968-69 SCS Filers

Debt Repayment	Single Male	Single Female	Married-no children	Married-1 child	Married-2 children	Married-3 children
$1,000 - over	5.2	5.0	19.6	17.7	29.2	28.2
$500 - 999	10.4	7.2	17.3	19.8	19.5	21.8
$400 - 499	2.6	2.6	3.5	2.5	5.0	3.9
$300 - 399	3.4	4.0	4.7	5.1	4.7	6.5
$200 - 299	4.4	3.2	4.5	4.5	4.6	4.3
$100 - 199	3.6	4.8	5.1	5.4	2.9	3.6
$1 - 99	1.7	2.5	1.7	1.7	2.0	2.0
$ 0	68.7	70.6	43.6	43.1	32.1	29.7
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B8

Percentage Distributions by Family Status

for Annual OTHER EXPENSES

1968-69 SCS Filers

Other Expenses	Single Male	Single Female	Married- no children	Married- 1 child	Married- 2 children	Married- 3 children
$1,000 - over	4.2	9.0	11.6	8.0	18.4	21.7
$500 - 999	11.0	7.0	18.4	16.7	19.8	20.1
$1 - 499	35.1	38.0	31.7	36.0	28.2	22.6
$ 0	49.7	53.1	38.3	39.2	33.7	35.6
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

Table B9

Percentage Distributions by Family Status

for Annual MAINTENANCE EXPENSES

1968-69 SCS Filers

Maintenance Expenses	Single Male	Single Female	Married- no children	Married- 1 child	Married- 2 children	Married- 3 children
$10,000-over	0.1	0.3	1.5	1.5	5.2	9.0
$ 9,000-9,999	0.1	0.4	0.8	1.3	4.8	6.5
$ 8,000-8,999	0.1	0.7	2.7	2.7	6.6	8.8
$ 7,000-7,999	0.5	1.1	4.5	5.5	12.2	15.8
$ 6,000-6,999	1.0	2.6	8.6	10.6	16.1	20.1
$ 5,000-5,999	1.7	4.5	15.1	21.2	23.1	18.9
$ 4,000-4,999	5.4	7.6	21.9	23.5	16.6	11.3
$ 3,000-3,999	13.3	12.7	23.1	20.5	8.5	4.5
$ 2,000-2,999	30.6	22.8	14.7	8.5	3.4	2.0
$ 1,000-1,999	34.2	30.7	4.3	2.7	0.9	0.6
$1- 999	10.5	13.8	1.5	0.8	0.4	1.1
$ 0	2.4	2.9	1.2	1.1	2.0	1.4
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0

APPENDIX C

PERCENTAGE DISTRIBUTIONS BY FAMILY STATUS
FOR ANNUAL TOTAL RESOURCES
1968-69 SCS SAMPLE

Table C

Percentage Distributions by Family Status

for Annual TOTAL RESOURCES

1968-69 SCS Sample

Total Resources	Single Male	Single Female	Married- no children	Married- 1 child	Married- 2 children	Married- 3 children
$10,500-over	0.2	0.8	3.0	1.8	7.0	11.9
$ 9,000-10,499	0.2	0.5	3.0	2.3	6.9	10.7
$ 7,500-8,999	0.4	1.2	5.8	4.8	11.9	12.7
$ 6,000-7,499	1.8	3.5	17.7	15.9	22.5	25.7
$ 4,500-5,999	3.7	3.8	18.4	15.3	17.8	14.4
$ 3,000-4,499	11.7	11.1	25.1	27.7	17.2	13.6
$ 1,500-2,999	38.5	28.2	16.5	20.5	10.3	4.5
$ 1-1,499	35.2	39.7	7.9	8.6	3.8	4.2
$ 0	8.3	11.2	2.6	3.1	2.7	2.3
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0
Mean	1,925	1,980	4,580	4,190	5,810	6,720